IOWA BANKERS ASSOCIATION
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January 28, 2004

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Dockets No. R-1168, R-1171, R-1169, R-1170, and R-1167 Subpart A

Dear Ms. Johnson,

Iowa Bankers Association ("IBA") is a trade association representing nearly 95% of banks and savings and loan associations in the State of Iowa. We appreciate this opportunity to comment on the proposed rules to establish more uniform standards for providing disclosures under five consumer protection regulations: B (Equal Credit Opportunity); E (Electronic Fund Transfers); M (Consumer Leasing); Z (Truth in Lending); and DD (Truth in Savings).

While in theory we agree that uniformity among disclosures provides better regulatory compliance and greater consumer awareness of financial products and services purchased, we cannot support these proposals. These amendments will serve nothing but to create additional, unnecessary regulatory burden on financial institutions and increased profits of forms vendors.

The proposals do not offer any evidence that current forms of disclosures are insufficient, causing confusion or misunderstanding among consumers to whom they are provided. The proposals state "consumer financial services and fair lending laws…contain similar but not identical standards for providing disclosures that consumers will notice and understand." Why should the standards for disclosures be "identical" among all these regulations? The material disclosures required by each regulation are substantially different and will vary greatly from one institution to the next based on the business practices, product mix and pricing structures offered by those institutions. While some disclosures, such as those required under Regs. E and B, are more descriptive of the financial institution's business practices, others such as those required under Regs. Z and DD, are specific to the transaction at hand. As a result, one should expect the disclosures to vary greatly.

The proposals point to Regulation P as the standard to which all other disclosures should be compared. However, on December 30, 2003, the Board together with the OCC, OTS, FDIC, NCUA, FTC, CFTC and SEC released an advance notice of proposed rulemaking (ANPR) suggesting revisions to the existing disclosure requirements of Reg. P, on the premise that the privacy disclosures as currently provided to consumers are too long and confusing. The ANPR suggests that consumers would more easily understand a shorter, simpler form of disclosure. If in fact the agencies believe the current form of privacy disclosures is flawed, why would the Board support modeling other regulatory disclosures after the fashion provided by Reg. P?

The proposals suggest that disclosures should use terms that are "reasonably understandable," however this standard alone is difficult to attain due to the very diverse educational, ethnic and socio-economic demographics served by financial institutions. The subjectivity of "reasonably understandable" has the potential to invite lawsuits as well as criticism from over-zealous examination staff imposing individual interpretations of the intent or meaning of the requirements.

The costs of revising, reprinting and distributing new disclosures could add up to billions of dollars for the industry, and will more likely confuse rather than benefit consumers. Because of the font size, margin, heading and bullet requirements in the proposals, the length of disclosures will increase, adding to production costs as well as consumer frustration upon receiving, yet again, another lengthy disclosure that he/she is more likely to drop in the waste basket than to take time to read.

Given the current level of compliance burden faced by financial institutions, with the recent amendments to HMDA and Reg. B; implementation and ongoing revision of customer identification programs under the USA PATRIOT Act; new compliance and regulatory burden brought about by the CAN-SPAM Act of 2003, FCC telemarketing sales rules and the FACT Act; upcoming amendments to Reg. CC and the implementation of Check 21…we've had enough! There is no compelling evidence that existing disclosures provided under Regs. B, E, M, Z and DD are confusing or unclear. Why spend time, energy and resources unnecessarily to fix a problem that isn't broken?

Thank you for your time and consideration of my comments. Should you have questions about this letter, feel free to contact me at 515-286-4391 or via e-mail: dbauman@iowabankers.com.

Sincerely,

Dodie Bauman, CRCM
Compliance Manager